

**CONDENSED INTERIM FINANCIAL
STATEMENTS
OF
ISHTIAQ TEXTILE MILLS LIMITED
FOR THE HALF YEAR ENDED
31 DECEMBER 2018**

ISHTIAQ TEXTILE MILLS LIMITED

VISION / MISSION STATEMENT

- Our mission is to grow with sound financial position, excellent quality and efficiency of production at lower operating cost.
 - To utilize available resources to increase earnings to enable us to deliver a good return to our all shareholders.
 - To conduct business with responsibility, integrity, honesty and build long term relation with our valued customers and suppliers.
 - To create better work environment to achieve our goals.
 - To work for the benefit of our shareholders, employees and the country.
 - To fulfill the legal, social and environmental obligation.
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ISHTIAQ TEXTILE MILLS LIMITED | **2018**
COMPANY INFORMATION

BOARD OF DIRECTOR'S : DEWAN ABU SAEED FAROOQUI
Chief Executive

DEWAN ABU OBAIDA FAROOQUI
DEWAN ABU SAEED FAROOQUI
DEWAN M. RIZWAN FAROOQUI
DEWAN M. EMRAN FAROOQUI
DEWAN M. REHAN FAROOQUI
DEWAN M. UZAIR FAROOQUI
HASSAN IMRAN FAROOQUI

AUDIT COMMITTEE DEWAN M. RIZWAN FAROOQUI
DEWAN M. REHAN FAROOQUI
DEWAN M. UZAIR FAROOQUI

HR & REMUNERATION : DEWAN REHAN FAROOQUI
COMMITTEE DEWAN ABU SAEED FAROOQUI
DEWAN M. RIZWAN FAROOQUI

COMPANY SECRETARY : MOHAMMAD UMAIR FAROOQUI
19-F Dawood Co-Operative Housing
Society, Stadium Road, Karachi. .

AUDITORS: M/S. FARUQ ALI & CO
Chartered Accountants
C-88, KDA Scheme No.1, Main Karsaz Road
Opp: Maritime Museum, Karachi

BANKERS MCB BANK LTD
NATIONAL BANK OF PAKISTAN
FAYSAL BANK LTD
BANK AL FALAH LIMITED
HABIB METROPOLITAN BANK LTD
BANK AL HABIB
HBL BANK LIMITED

SHARE REGISTRAR: MG ASSOCIATES (PVT) LIMITED
Office at Unit-02 Mustafa Avenue F/4
Block # 09 Clifton Karachi

REGISTERED OFFICE: 155-Napier Road, Karachi – 74000

MILLS : B-27, S.I.T.E., Nooriabad,
District : Dadu, Sindh.



ISHTIAQ TEXTILE MILLS LIMITED

DIRECTORS' REPORT

Dear Shareholders,

The Financial Statement of the Company for the half yearly period ended December 31, 2018 (Un- Audited) is being presented to you.

The financial results in a summarized form are given hereunder:

Description	Half Yearly period ended December 31, 2018	Half Yearly period ended December 31, 2017
Turnover-net	--- million	3.616 million
Gross loss	(9.249) million	(8.724) million
Loss before tax	(15.287) million	(17.783) million
Loss after tax	(12.582) million	(18.331) million

Overview

The Financial Results of your Company for the half yearly period ended continues to be remain discouraging, During the half yearly period ended under review, the Company incurred an after tax loss of Rs.(12.582) million as compared to an after tax loss of Rs (18.331) million during the corresponding period of last year, The main reason of loss is due to closed operations of the company due to circumstances beyond control of company, we were left with no option except to temporarily cease operations of company had have had to endure very difficult times. The government has not taken appropriate steps to improve the viability of this sector; until major steps like ban of the dumping of Indian yarn and improve the energy situation in Pakistan the true revival of spinning sector will not be possible.

Your director's also hope for better result in future tried their best to start operation of your company and the management of company is hopeful of future profitability of the Company and hopeful that working environment for textile sector will improve.

We wish to express thanks to our employees, banks and the customers for their continued support and co operation.

For & On Behalf of the Board
Dewan Abu Saeed Farooqui
Chief Executive
Karachi: February 28, 2019

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Ishtiaq Textile Mills Limited

Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Ishtiaq Textile Mills Limited ('the Company') as at 31 December 2018, and the related condensed interim statement of profit or loss, condensed interim other comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, together with the notes forming part thereof (herein-after referred to as the "condensed interim financial statements") for the half year then ended. Management is responsible for the preparation and presentation of this condensed interim financial statements in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial statements based on our review. The figures of the condensed interim statement of profit or loss and other comprehensive income for the quarters ended 31 December 2018 and 31 December 2017 have not been reviewed, as we are required to review only the cumulative figures for the half year ended 31 December 2018 and 31 December 2017.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Statements Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for adverse conclusion

The condensed interim financial statements for the period ended 31 December 2018 has been prepared on going concern assumption despite of the fact that Company has incurred after tax loss of Rs.12.583 million and as of that date its accumulated losses of Rs.171.645 million which have resulted in negative equity of Rs.34.546 million and its current liabilities exceeded its current assets by Rs.97.949 million. The operations of the Company are closed since February 2016 and management has not chalked out any plan for revival of its operations. These conditions lead us to believe that the going concern assumption used in preparation of these condensed interim financial statements is inappropriate; consequently, the assets and liabilities should have been stated at their realizable and settlement amounts respectively.

Adverse conclusion

Our review indicates that, because of the significance of the matter discussed in above paragraph, this condensed interim financial statements is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.



Matter of emphasis

We draw attention of the members to:

- note 1.2 to the condensed interim financial statements which states that the Company has been placed on defaulter counter of Pakistan Stock Exchange Limited (PSX) and PSX has issued a notice for proposed delisting of the Company; and
- note 6 to the condensed interim financial statements in respect of pending litigations, the ultimate outcome of which cannot be established at this stage.

Our opinion is not modified in respect of above matters.

The engagement partner on the review engagement resulting in this independent auditors' review report is Muhammad Faisal Nini. *γ*



CHARTERED ACCOUNTANTS

Place: Karachi

Dated: 28 FEB 2019


ISHTIAQ TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Notes	(Un-audited) 31 December 2018	(Audited) 30 June 2018
----- (Rupees) -----			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment		188,673,623	195,027,277
Claim for penalty and other charges recoverable		39,298,709	39,298,709
		227,972,332	234,325,986
CURRENT ASSETS			
Stores, spares and loose tools		5,472,282	6,322,282
Stock in trade		564,578	564,578
Trade debts - Unsecured		5,467,286	5,767,286
Advances, deposits and prepayments		1,307,747	786,632
Advance income tax - Net		3,743,452	3,739,621
Cash and bank balances		335,562	1,380,433
		16,890,907	18,560,832
		244,863,239	252,886,818
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital		50,000,000	50,000,000
5,000,000 (June 2018: 5,000,000) Ordinary shares of Rs.10/- each			
Issued, subscribed and paid-up share capital		42,500,000	42,500,000
Revenue reserve			
Accumulated losses		(171,645,195)	(165,082,157)
Capital reserve		-	-
Surplus on revaluation of property, plant and equipment	5	94,599,663	100,619,537
		(34,545,532)	(21,962,620)
NON-CURRENT LIABILITIES			
Subordinated loan - Unsecured		77,919,563	74,739,401
Long term finance		38,253,762	38,253,762
Loans from related parties - Unsecured		9,652,780	9,258,818
Deferred liabilities		38,742,798	41,547,079
		164,568,903	163,799,060
CURRENT LIABILITIES			
Trade and other payables		36,170,295	34,524,720
Short term borrowings		74,691,162	71,133,586
Mark-up accrued		3,941,111	3,872,612
Unclaimed dividend		37,300	37,300
Current and overdue portion of lease liability		-	1,482,160
		114,839,868	111,050,378
CONTINGENCIES AND COMMITMENTS			
	6	-	-
		244,863,239	252,886,818

The annexed notes form an integral part of these condensed interim financial statements.


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR

ISHTIAQ TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS - (Un-audited)
FOR THE HALF YEAR ENDED 31 DECEMBER 2018

	Notes	Half Year Ended		Quarter Ended	
		31 December 2018	31 December 2017	31 December 2018	31 December 2017
		----- (Rupees) -----		----- (Rupees) -----	
Sales - Net	7	--	3,616,000	--	--
Cost of sales	8	<u>(9,249,254)</u>	<u>(12,340,337)</u>	<u>(4,834,598)</u>	<u>(4,601,802)</u>
Gross loss		(9,249,254)	(8,724,337)	(4,834,598)	(4,601,802)
Distribution cost		(34,000)	(46,448)	(34,000)	(44,000)
Administrative expenses		(1,212,497)	(4,872,846)	(463,405)	(4,244,693)
Other expenses		(850,000)	--	(850,000)	--
		<u>(2,096,497)</u>	<u>(4,919,294)</u>	<u>(1,347,405)</u>	<u>(4,288,693)</u>
Operating loss		<u>(11,345,751)</u>	<u>(13,643,631)</u>	<u>(6,182,003)</u>	<u>(8,890,495)</u>
Finance cost		(3,941,742)	(4,139,808)	(2,144,459)	(2,029,854)
Loss before taxation		<u>(15,287,493)</u>	<u>(17,783,439)</u>	<u>(8,326,462)</u>	<u>(10,920,349)</u>
TAXATION					
Current year		--	(36,160)	--	(36,160)
Deferred tax		2,704,581	(511,809)	2,050,247	(1,107,452)
		<u>2,704,581</u>	<u>(547,969)</u>	<u>2,050,247</u>	<u>(1,143,612)</u>
Loss for the year		<u><u>(12,582,912)</u></u>	<u><u>(18,331,408)</u></u>	<u><u>(6,276,215)</u></u>	<u><u>(12,063,961)</u></u>
Loss per share - Basic and diluted		<u>(2.96)</u>	<u>(4.31)</u>	<u>(1.48)</u>	<u>(2.84)</u>

The annexed notes form an integral part of these condensed interim financial statements.


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR

ISHTIAQ TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME - (Un-audited)
FOR THE HALF YEAR ENDED 31 DECEMBER 2018

	Half Year Ended		Quarter Ended	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
	(Rupees)		(Rupees)	
Loss for the year	(12,582,912)	(18,331,408)	(6,276,215)	(12,063,961)
<i>Other comprehensive income</i>	--	--	--	--
Total comprehensive loss for the year	(12,582,912)	(18,331,408)	(6,276,215)	(12,063,961)

The annexed notes form an integral part of these condensed interim financial statements.


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR

ISHTIAQ TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY - (Un-audited)
FOR THE HALF YEAR ENDED 31 DECEMBER 2018

	Issued, subscribed and paid-up share capital	Revenue reserve	Capital reserve	Total
		Accumulated losses	Surplus on revaluation of property, plant and equipment	
----- (Rupees) -----				
Balance as on 1 July 2017 - <i>As restated</i>	42,500,000	(132,079,520)	107,092,519	17,512,999
Total comprehensive loss for the year:				
Loss for the year	--	(18,331,408)	--	(18,331,408)
Other comprehensive income	--	--	--	--
	--	(18,331,408)	--	(18,331,408)
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment - Net of tax	--	3,283,398	(3,283,398)	--
Balance as on 31 December 2017 - <i>As restated</i>	42,500,000	(147,127,530)	103,809,121	(818,409)
Balance as on 1 July 2018	42,500,000	(165,082,157)	100,619,537	(21,962,620)
Total comprehensive loss for the year:				
Loss for the year	--	(12,582,912)	--	(12,582,912)
Other comprehensive income	--	--	--	--
	--	(12,582,912)	--	(12,582,912)
Transfer from surplus on revaluation of property, plant and equipment - Net of tax	--	6,019,874	(6,019,874)	--
Balance as on 31 December 2018	42,500,000	(171,645,195)	94,599,663	(34,545,532)

The annexed notes form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

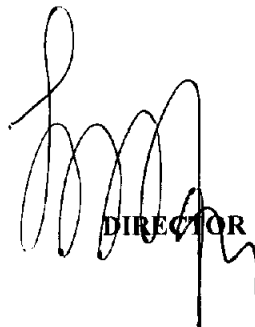
ISHTIAQ TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2018

	Notes	(Un-audited) 31 December 2018	(Un-audited) 31 December 2017
		----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before taxation		(15,287,493)	(17,783,439)
<i>Adjustment for non-cash items:</i>			
Depreciation		6,353,654	6,859,294
Provision for obsolescence and slow moving stores and spares		850,000	1,200,000
Provision for obsolescence and slow moving stocks		--	1,119,486
Advance to staff written-off		--	1,316,560
Finance cost		367,618	845,988
Unwinding of discount		3,574,124	3,293,820
Cash outflows before working capital changes		<u>(4,142,097)</u>	<u>(3,148,291)</u>
<i>Working capital changes</i>			
<i>Decrease / (increase) in current assets</i>			
Stock in trade		--	3,068,893
Trade debts		300,000	194,236
Advances, deposits and prepayments		(521,115)	(2,738,201)
<i>Increase / (decrease) in current liabilities</i>			
Trade and other payables		1,645,575	(1,637)
		<u>1,424,460</u>	<u>523,291</u>
Cash used in operations		<u>(2,717,637)</u>	<u>(2,625,000)</u>
<i>Payment for:</i>			
Finance cost		(299,119)	(1,190,273)
Gratuity paid		(99,700)	(127,800)
Tax paid		(3,831)	(40,450)
Net cash outflows from operating activities		<u>(3,120,287)</u>	<u>(3,983,523)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
		--	--
CASH FLOWS FROM FINANCING ACTIVITIES			
Loan from related parties - Net		23,553,636	--
Repayment for lease finance		(1,482,160)	(101,881)
Net cash inflows / (outflows) from financing activities		<u>22,071,476</u>	<u>(101,881)</u>
Net increase / (decrease) in cash and cash equivalents		<u>18,951,189</u>	<u>(4,085,404)</u>
Cash and cash equivalents at beginning of the period		<u>(18,871,680)</u>	<u>(14,180,099)</u>
Cash and cash equivalents at the end of period	9	<u><u>79,509</u></u>	<u><u>(18,265,503)</u></u>

The annexed notes form an integral part of these condensed interim financial statements.


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR

ISHTIAQ TEXTILE MILLS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS - (Un-audited)
FOR THE HALF YEAR ENDED 31 DECEMBER 2018


1 STATUS AND NATURE OF BUSINESS

- 1.1 Ishtiaq Textile Mills Limited was incorporated in Pakistan under repealed Companies Ordinance, 1984 on 15 May 1986 as a public limited company. Its shares are quoted on the Karachi and Lahore Stock Exchanges (now Pakistan Stock Exchange) and it is principally engaged in the manufacture and sale of yarn.
- 1.2 During the year ended June 2012, the Company received notices from Karachi Stock Exchange (Guarantee) Limited (KSE) in respect of its inability to join Central Depository Company (CDC) after its securities have been declared eligible securities by the CDC. Since the Company was unable to rectify the aforementioned default, therefore it was placed on defaulters' counter of KSE and trading of its shares was suspended. During the year 2012 a notice no. KSE / N-4026 dated 4 September 2012 was received from KSE for proposed delisting on account of aforementioned continued default under regulation no. 30(1)(g). The proposed delisting is under consideration of the management.

2 GOING CONCERN ASSUMPTION

The condensed interim financial statements for the half year ended 31 December 2018 reflect that the Company has sustained a net loss after taxation of Rs.12.583 million (June 2018: Rs.39.476 million) and as of that date it has accumulated losses of Rs.171.645 million (June 2018: Rs.165.082 million) which have eroded its capital by Rs.34.546 million (June 2018: Rs.21.963 million) and its current liabilities exceeded its current assets by Rs.97.949 million (June 2018: Rs.92.490 million). Furthermore, the operations of the Company are closed since February 2016. These conditions indicate the existence of material uncertainty which may cast significant doubt about the Company's ability to continue as going concern and therefore the Company may not be able to realize its assets and discharge its liabilities in the normal course of business. The condensed interim financial statements has been prepared under going concern assumption as the conditions are temporary and would reverse, as the loss during the period was mainly due to textile demands reduced in international market which resultantly reduced the demand in local market and it is expected that the Government will take some measures to improve the economical condition of textile sector. Furthermore, the Company does not face any liquidity problems, as it has the ability to arrange the unsecured, interest free borrowings from its associated concern as and when required hence mitigate the risks involved, therefore the preparation of these condensed interim financial statements using the going concern assumption is justified.

3 BASIS OF PREPARATION

- 3.1 These condensed interim financial statements of the Company for the six months ended 31 December 2018 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards applicable in Pakistan for interim financial reporting comprise of International Accounting Standard (IAS) 34, "Interim Financial Reporting", issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 and provisions of and directives issued under the Companies Act, 2017. Where provisions of and directives issued under the Companies Act, 2017 differ from the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.
- 3.2 These condensed interim financial statements do not include all the information and disclosures required in the annual audited financial statements, and should be read in conjunction with the Company's annual audited financial statements for the year ended 30 June 2018.
- 3.3 The figures included in the condensed interim profit and loss account for the quarters ended 31 December 2018 and 2017 and in the notes forming part thereof have not been reviewed by the auditors of the Company, as they have reviewed the accumulated figures for the half years ended 31 December 2018 and 2017. 

4 SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

4.1 The accounting policies and methods of computation adopted and applied in the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 30 June 2018, except as described below:

4.2 **New standards, amendments and interpretation to published approved accounting and reporting standards which are effective during the half year ended 31 December 2018.**

There are certain amendments and an interpretation to approved accounting and reporting standards which are mandatory for the Company's annual accounting period which began on 1 July 2018. However, these do not have any significant impact on the Company's financial reporting and, therefore, have not been detailed in these condensed interim financial statements.

In addition to that two new standards (i.e. IFRS 9 and IFRS 15) have become applicable to the Company effective 1 July 2018. Because of these new standards certain changes to the Company's accounting policies have been made in light of the following paragraphs:

- IFRS 9 'Financial instruments' - This standard replaces the guidance in IAS 39. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the current incurred loss impairment model.
- IFRS 15 'Revenue from contracts with customers' - IFRS 15 replaces the previous revenue standards: IAS 18 Revenue, IAS 11 Construction Contracts, and the related interpretations on revenue

IFRS 15 introduces a single five-step model for revenue recognition and establishes a comprehensive framework for recognition of revenue from contracts with customers based on a core principle that an entity should recognise revenue representing the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The changes laid down by these standard do not have any significant impact on these condensed interim financial statements of the Company.

4.3 **New standards and amendments to published approved accounting and reporting standards that are not yet effective**

There is a new standard, certain amendments and an interpretation to the approved accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after 1 July 2019. However, these will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these condensed interim financial statements.

4.4 The preparation of condensed interim financial statements requires management to make certain judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and key sources of estimation of uncertainty are the same as those that were applied to the financial statements for the year ended 30 June 2018.



(Unaudited)	(Audited)
31 December	30 June
2018	2018
----- (Rupees) -----	

5 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT

Opening balance	100,619,537	107,092,519
Transfer to accumulate losses on account of incremental depreciation for the year - Net of tax	(6,019,874)	(6,472,982)
	94,599,663	100,619,537

6 CONTINGENCIES AND COMMITMENTS

- 6.1 The State Bank of Pakistan (SBP) charged Rs.39.299 million as penalty @ 27% against shortfall in export under "Pay-As-You-Earn" scheme and penal interest @ 9% amounting to Rs.1.045 million thereon for the period from 1989-90 to 1995-96. On failure of appeal filed with the SBP & other Government Ministries against the levy of said penalty the Company filed suit in Sind High Court against the SBP challenging the levy of penalty. The Honourable Single Bench of the Sindh High Court through order dated 14th June 2008 decided the suit in favour of the Company and declared the levy of penalty as ultravires. The SBP filed a review petition with a Division Bench of the Honourable Sind High Court against the said judgment, which has been dismissed on 17-01-2013 and a short order to the effect of same was issued, however detailed order is still awaited. The SBP has now filed an appeal before Honourable Supreme Court of Pakistan against the order of Division Bench of Honourable High Court, which is pending as the detailed order of Division Bench of Hon'able Sindh High Court is awaited. The Management of the Company is quite confident that the SBP's appeal will be rejected and the decision of the Single Bench will be maintained based on decision in various other suits on similar issue. Furthermore, appeal filed by SBP in Supreme Court of Pakistan against the Judgments passed by Honourable Sindh High Court and Lahore High Court on other cases of similar issue, have been rejected by Honourable Supreme Court of Pakistan (SC) vide its Order dated 26 October 2009 wherein SC maintained the decisions of Sindh and Lahore High Courts which were decided against SBP.
- 6.2 Claims not acknowledged as debt amounts to Rs.12.703 million. This amount represents mark-up charged on forced loan created by MCB Bank Ltd. Since as per Hon'able High Court's order the penalty is ultravires, therefore, management is of the opinion that the consequent mark-up is also ultravires and unjustified. Based on judgment of Honourable Supreme Court as referred in note 6.1 above, the management's contention is further strengthened.
- 6.3 The Company has filed an appeal in the High Court of Sindh at Hyderabad against the judgement passed by the Additional District Judge Kotri in respect of an illegal and unlawful electricity bill amounting to Rs.14.559 million served during 1999. Previously, the Honourable High Court, upon an appeal filed by the Company, referred the matter to Electric Inspector Hyderabad. The Electric Inspector reduced the amount of bill to Rs. 3 million, which was not acceptable neither to the Company nor the Hyderabad Electric Supply Company, hence both filed their respective appeals before Secretary Power, which is also pending. Since the case was already pending before the Honourable High Court, therefore any proceedings by Additional District Judge would be in violation of directions by Honourable High Court. The case is in final stage of hearing and legal counsel of the Company has opined that it is expected to be decided in the favour of Company. Hence no provision of amount in question has been made in these condensed interim financial statements.
- 6.4 Bank guarantees amounting to Rs.14.628 million (June 2018: Rs.14.628 million have been issued by the Company's bankers to various parties on behalf of the Company. X

7 SALES - Net

	Half Year Ended		Quarter Ended	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
	----- (Rupees) -----		----- (Rupees) -----	
Yarn - Local	--	3,616,000	--	--

8 COST OF SALES

	Half Year Ended		Quarter Ended	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
	----- (Rupees) -----		----- (Rupees) -----	
Opening finished goods	19,340	3,088,233	19,340	19,340
Cost of goods manufactured	9,249,254	9,271,444	4,932,748	4,601,802
	<u>9,268,594</u>	<u>12,359,677</u>	<u>4,952,088</u>	<u>4,621,142</u>
Closing finished goods	(19,340)	(19,340)	(117,490)	(19,340)
	<u>9,249,254</u>	<u>12,340,337</u>	<u>4,834,598</u>	<u>4,601,802</u>

8.1 Cost of goods manufactured

	Half Year Ended		Quarter Ended	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
	----- (Rupees) -----		----- (Rupees) -----	
Depreciation	6,195,924	6,662,805	3,097,962	3,331,402
Salaries, wages and other benefits	1,468,264	1,579,150	757,405	756,566
Fuel, power and water	1,200,465	612,634	759,846	307,980
Miscellaneous	202,546	16,344	173,415	9,709
Rent, rates and taxes	86,750	86,750	86,750	43,375
Repair and maintenance	40,000	35,000	40,000	35,000
Stores, spares and loose tools consumed	25,925	41,120	9,720	12,800
Vehicle expenses	23,240	33,415	5,300	5,370
Telephone expense	6,140	12,390	2,350	3,440
Insurance expenses	--	191,836	--	96,160
	<u>9,249,254</u>	<u>9,271,444</u>	<u>4,932,748</u>	<u>4,601,802</u>

9 CASH AND CASH EQUIVALENTS

	Half Year Ended		Quarter Ended	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
	----- (Rupees) -----		----- (Rupees) -----	
Cash and bank balances	335,562	1,734,497	335,562	1,734,497
Book overdraft	(256,053)	--	(256,053)	--
Running finance	--	(20,000,000)	--	(20,000,000)
	<u>79,509</u>	<u>(18,265,503)</u>	<u>79,509</u>	<u>(18,265,503)</u>

10 TRANSACTION WITH RELATED PARTIES

The related parties comprise group companies, associated undertakings, directors and key management personnel. Transaction with related parties, other than those which have been specifically disclosed elsewhere in these condensed interim financial statements, are as follows:-

Name of the related party	Relationship and percentage of shareholding	Transactions during the year	31 December 2018	31 December 2017
			----- (Rupees) -----	
Dewan Steel Mills	Associated Company by virtue of common directorship	Receipt of short term borrowings	850,853	--
Dewan Sons	Associated Company by virtue of common directorship	Receipt of short term borrowings	2,702,783	--

11 CORRESPONDING FIGURES

Consequent to the introduction of changes in accounting and reporting standards applicable to the listed companies through Companies Act, 2017, the Company's accounting policy of the revaluation surplus on property, plant and equipment have been changed and applied retrospectively to comply with the accounting and reporting standards applicable to the Company.

In order to comply with the requirements of International Accounting Standard 34 "Interim Financial Reporting", condensed interim statement of financial position has been compared with the balances of annual financial statements, whereas condensed interim statement of profit or loss, statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity have been compared with the balances of comparable period of immediately preceding financial year.


12 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorised for issue on 28 FEB 2019 in accordance with the resolution of the Board of Directors of the Company.

13 GENERAL

This condensed interim financial statements are presented in Rupees and figures have been rounded off to the nearest rupees. x


CHIEF EXECUTIVE


DIRECTOR



ISHTIAQ TEXTILE MILLS LIMITED

اشتیاق ٹیکسٹائل ملز لمیٹڈ

ڈائریکٹرز رپورٹ

عزیز حصص یافتگان،

آپ کے سامنے پیش کیا جا رہا ہے۔ (ایک Un آٹھ) نے 31 دسمبر 2018 چھماہی مدت کے لئے کمپنی کی مالیاتی بیان خلاصہ شکل میں مالیاتی نتائج معرفت ہذا دی جاتی ہے: تفصیل چھماہی مدت ختم ہو گئی 31 دسمبر، 2018 چھماہی مدت ختم ہو گئی 31 دسمبر، ٹیکس سے پہلے 2017 کاروبار نیٹ --- ملین 3.616 ملین مجموعی نقصان (9.249) ملین (8.724) ملین نقصان (15.287) ملین (17.783) ملین نقصان کے بعد ٹیکس (12.582) ملین (18.331) ملین جائزہ ششماہی مدت ختم ہو گئی کے لئے آپ کی کمپنی کے مالیاتی نتائج، حوصلہ شکن رہنے دیا جانے کرنے کے لئے نصف سالانہ مدت زیر جائزہ ختم ہو گئی دوران جاری ہے، کمپنی سے کئے جانے والے روپے کی ٹیکس نقصان کے بعد ایک (12.582) ملین گزشتہ سال کی اسی مدت کے دوران روپے (18.331) لاکھ کا ٹیکس نقصان کے بعد ایک کے مقابلے میں، نقصان کی بنیادی وجہ کنٹرول سے باہر کے حالات کی وجہ سے کمپنی کا بند کمرے کی کارروائیوں کی وجہ سے ہے کمپنی کے، ہم سوا کوئی چارہ نہیں کے ساتھ چھوڑ دیا گیا تھا عارضی طور پر کمپنی کے آپریشن ختم کرنے کے حکومت نے اس شعبے کی نتیجہ خیزی کو بہتر بنانے کے لئے مناسب لئے بہت مشکل وقت برداشت کرنا پڑا ہے تھا اقدامات نہیں لیا ہے؛ بھارتی سوت کی ڈمپنگ اور پاکستان میں توانائی کی صورتحال بہتر بنانے کی پابندی جیسے اہم آپ کا ڈائریکٹر کا بھی مستقبل میں بہتر نتائج کی امید آپ کی اقدامات تک کتنا شعبے کی حقیقی احیا ممکن نہیں ہو گا کمپنی کے آپریشن شروع کرنے کے لئے اپنی بہترین کوشش کی اور کمپنی کے انتظام کی کمپنی کے مستقبل منافع کی ہم نے ان کی مسلسل حمایت اور امید اور امید ٹیکسٹائل سیکٹر کے لئے کام کرنے کے ماحول کو بہتر بنانے گا ہے بورڈ کے شریک آپریشن کے لئے ہمارے ملازمین، بینکوں اور گاہکوں کے لئے شکریہ کا اظہار کرنا چاہتے ہیں

دیوان ابو سعید فاروقی

چیف ایگزیکٹو

فروری 28، 2019

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